

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-1861-AIR-E **TCEQ ID:** RN100825249 **CASE NO.:** 34959
RESPONDENT NAME: Chevron Phillips Chemical Company LP

Page 1 of 2

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Chevron Phillips Chemical Sweeny Complex, 21689 Highway 35, Old Ocean, Brazoria County</p> <p>TYPE OF OPERATION: Chemical plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There are four pending enforcement actions regarding this facility location, Docket Numbers 2007-1581-AIR-E, 2007-1079-AIR-E, 2007-0286-AIR-E, and 2006-1821-AIR-E.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on May 5, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: SEP Coordinator: Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768 TCEQ Enforcement Coordinator: Mr. Bryan Elliott, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-6162; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Ms. Charleen Dickson, Plant Manager, Chevron Phillips Chemical Company LP, P.O. Box 1000, Sweeny, Texas 77480 Mr. Carl Holmgren, Senior Environmental Specialist, Chevron Phillips Chemical Company LP, P.O. Box 1000, Sweeny, Texas 77480 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Record Review Relating to this Case: September 20, 2007</p> <p>Date of NOE Relating to this Case: October 25, 2007 (NOE)</p> <p>Background Facts: This was a routine record review.</p> <p>AIR</p> <p>Failure to prevent unauthorized emissions. Specifically, during an emissions event on July 4, 2007 at Ethylene Unit 22, High Pressure and Low Pressure Flares, Emissions Point Numbers ("EPN") 56-61-12 and 56-61-10, respectively, emitted 577.5 pounds ("lbs") of volatile organic compounds ("VOC"), 432 lbs of carbon monoxide, and 60 lbs of nitrogen oxides. In addition, Ethylene Unit 22 Process Fugitives EPN 22-0-0 emitted 7,600 lbs of VOC. The total event lasted six hours and 30 minutes. The permit does not authorize any upset emissions. Since this emissions event was avoidable, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.715(a), Flexible Permit No. 22690 Special Condition 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$10,000</p> <p>Total Deferred: \$2,000 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$4,000</p> <p>Total Paid to General Revenue: \$4,000</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant, in order to address the emissions event on July 4, 2007;</p> <p>a) On or about July 6, 2007, the Respondent reconfigured all controllers to return to automatic mode if a signal were encountered that has a value outside its expected range. As part of this process, all controller configurations on Unit 22 were revised to determine if reconfiguration was necessary;</p> <p>b) On or about July 6, 2007, the Respondent conducted refresher operator training on the significance and appropriate response to alarms activated by signals with values outside their expected range; and</p> <p>c) On or about September 4, 2007, the Respondent modified its written operation procedures to incorporate the lessons learned from this event.</p> <p>Ordering Provisions:</p> <p>2) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP) (See SEP Attachment A).</p>

Additional ID No(s): Air Account No. BL0758C

Attachment A
Docket Number: 2007-1861-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Chevron Phillips Chemical Company LP

Payable Penalty Amount: Eight Thousand Dollars (\$8,000)

SEP Amount: Four Thousand Dollars (\$4,000)

Type of SEP: Pre-approved

Third-Party Recipient: Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program

Location of SEP: Brazoria County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Brazoria County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality*. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision November 6, 2007

TCEQ

DATES

Assigned

29-Oct-2007

PCW

20-Nov-2007

Screening

13-Nov-2007

EPA Due

21-Jul-2008

RESPONDENT/FACILITY INFORMATION

Respondent Chevron Phillips Chemical Company LP

Reg. Ent. Ref. No. RN100825249

Facility/Site Region 12-Houston

Major/Minor Source Major

CASE INFORMATION

Enf./Case ID No. 34959

Docket No. 2007-1861-AIR-E

Media Program(s) Air

Multi-Media

No. of Violations 1

Order Type 1860

Enf. Coordinator Bryan Elliott

EC's Team Enforcement Team 4

Admin. Penalty \$ Limit Minimum

\$0

Maximum

\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1

\$5,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History

136% Enhancement

Subtotals 2, 3, & 7

\$6,800

Notes

Penalty enhancement due to three Agreed Orders with denial of liability, 15 NOVs for same or similar violations, and three NOVs for unrelated violations. Penalty reduction given for three environmental audits and one disclosure of violations.

Culpability

No

0% Enhancement

Subtotal 4

\$0

Notes

The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply

25% Reduction

Subtotal 5

\$1,250

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary

Ordinary

N/A

X

(mark with x)

Notes

The Respondent came into compliance by September 4, 2007.

0% Enhancement*

Subtotal 6

\$0

Total EB Amounts

\$17

Approx. Cost of Compliance

\$2,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7

Final Subtotal

\$10,550

OTHER FACTORS AS JUSTICE MAY REQUIRE

0%

Adjustment

\$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

\$10,550

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty

\$10,000

DEFERRAL

20%

Reduction

Adjustment

-\$2,000

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

\$8,000

Screening Date 13-Nov-2007

Docket No. 2007-1861-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 34959

PCW Revision November 6, 2007

Reg. Ent. Reference No. RN100825249

Media [Statute] Air

Enf. Coordinator Bryan Elliott

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	15	75%
	Other written NOVs	3	6%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	3	60%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	3	-3%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	1	-2%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 136%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Penalty enhancement due to three Agreed Orders with denial of liability, 15 NOVs for same or similar violations, and three NOVs for unrelated violations. Penalty reduction given for three environmental audits and one disclosure of violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 136%

Screening Date 13-Nov-2007 Respondent Chevron Phillips Chemical Company LP Case ID No. 34959 Reg. Ent. Reference No. RN100825249 Media [Statute] Air Enf. Coordinator Bryan Elliott Violation Number <input type="text" value="1"/>	Docket No. 2007-1861-AIR-E PCW <i>Policy Revision 2 (September 2002)</i> <i>PCW Revision November 6, 2007</i>																				
Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Flexible Permit No. 22690 Special Condition 1, and Tex. Health & Safety Code § 382.085(b)																					
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Base Penalty <input style="width: 100px;" type="text" value="\$10,000"/>																					
>> Environmental, Property and Human Health Matrix																					
OR	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 20%;">Major</th> <th style="width: 20%;">Moderate</th> <th style="width: 20%;">Minor</th> <th style="width: 30%;"></th> </tr> </thead> <tbody> <tr> <td>Release</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Actual</td> <td></td> <td style="text-align: center;">X</td> <td></td> <td></td> </tr> <tr> <td>Potential</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <div style="text-align: right; margin-top: 5px;"> Percent <input style="width: 50px;" type="text" value="50%"/> </div>		Major	Moderate	Minor		Release					Actual		X			Potential				
	Major	Moderate	Minor																		
Release																					
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Potential																					
>> Programmatic Matrix																					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Falsification</th> <th style="width: 20%;">Major</th> <th style="width: 20%;">Moderate</th> <th style="width: 20%;">Minor</th> <th style="width: 30%;"></th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <div style="text-align: right; margin-top: 5px;"> Percent <input style="width: 50px;" type="text" value="0%"/> </div>	Falsification	Major	Moderate	Minor																
Falsification	Major	Moderate	Minor																		
Matrix Notes	<div style="border: 1px solid black; padding: 5px; min-height: 40px;"> Human health or the environment was exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation. </div>																				
Adjustment <input style="width: 100px;" type="text" value="\$5,000"/>																					
<input style="width: 100px;" type="text" value="\$5,000"/>																					
Violation Events																					
<div style="display: flex; justify-content: space-between;"> <div> Number of Violation Events <input style="width: 50px;" type="text" value="1"/> </div> <div> <input style="width: 50px;" type="text" value="1"/> Number of violation days </div> </div> <div style="margin-top: 10px;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr><td style="width: 30%;">daily</td><td style="width: 70%;"></td></tr> <tr><td>monthly</td><td style="text-align: center;">X</td></tr> <tr><td>quarterly</td><td></td></tr> <tr><td>semiannual</td><td></td></tr> <tr><td>annual</td><td></td></tr> <tr><td>single event</td><td></td></tr> </tbody> </table> <div style="text-align: right; margin-top: 10px;"> Violation Base Penalty <input style="width: 100px;" type="text" value="\$5,000"/> </div> </div> <div style="border: 1px solid black; padding: 10px; margin-top: 10px; text-align: center;"> One monthly event is recommended. </div>		daily		monthly	X	quarterly		semiannual		annual		single event									
daily																					
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single event																					
Economic Benefit (EB) for this violation																					
<div style="display: flex; justify-content: space-between;"> <div> Estimated EB Amount <input style="width: 150px;" type="text" value="\$17"/> </div> <div> Statutory Limit Test </div> </div>																					
<div style="display: flex; justify-content: space-between;"> <div> Violation Final Penalty Total <input style="width: 100px;" type="text" value="\$10,550"/> </div> </div>																					
This violation Final Assessed Penalty (adjusted for limits) <input style="width: 100px;" type="text" value="\$10,000"/>																					

Economic Benefit Worksheet

Respondent: Chevron Phillips Chemical Company LP

Case ID No. 34959

Reg. Ent. Reference No. RN100825249

Media Air

Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$2,000	4-Jul-2007	4-Sep-2007	0.2	\$17	n/a	\$17
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to implement training designed to prevent and repair problems associated with an increase of boiler feed water pressure, which led to the July 4, 2007 emissions event at Ethylene Unit 22. Date required is based on the day of the emissions event. Final date is the compliance date.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$17

Compliance History

Customer/Respondent/Owner-Operator: CN600303614 Chevron Phillips Chemical Company LP Classification: AVERAGE Rating: 3.03

Regulated Entity: RN100825249 CHEVRON PHILLIPS CHEMICAL SWEENEY COMPLEX Classification: AVERAGE Site Rating: 2.10

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	BL0758C
AIR OPERATING PERMITS	PERMIT	2151
AIR OPERATING PERMITS	PERMIT	52061
AIR NEW SOURCE PERMITS	REGISTRATION	75473
AIR NEW SOURCE PERMITS	REGISTRATION	75479
AIR NEW SOURCE PERMITS	REGISTRATION	75447
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	BL0758C
AIR NEW SOURCE PERMITS	REGISTRATION	75072
AIR NEW SOURCE PERMITS	PERMIT	22690
AIR NEW SOURCE PERMITS	REGISTRATION	75059
AIR NEW SOURCE PERMITS	AFS NUM	4803900145
AIR NEW SOURCE PERMITS	REGISTRATION	50960
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXR000039834
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	86586

Location: 21689 HIGHWAY 35, OLD OCEAN, TX, 77463 Rating Date: September 01 07 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: November 12, 2007

Agency Decision Requiring Compliance: Enforcement

Compliance Period: November 12, 2002 to November 12, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Jessica Rhodes Phone: (512) 239-2879

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 02/02/2003

ADMINORDER 2002-0127-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.6
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report an upset within 24 hours that occurred on September 8, 2001.

Classification: Moderate

Citation: 5C THC Chapter 382, SubChapter A 382.085(a)

Description: Failure to prevent a release of 21872 pounds of propylene on September 8, 2001.

Effective Date: 04/14/2006

ADMINORDER 2005-1709-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: No. 22690 and PSD-TX-751M1 SC. #1 PA

Description: Failed to prevent unauthorized emissions during an avoidable emissions event that occurred on February 28, 2005.

Effective Date: 02/05/2007

ADMINORDER 2006-0904-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: TCEQ Flexible Permit #22690, SC#1 PERMIT

Description: Failure to prevent unauthorized emissions during an April 15, 2006 emissions event.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	03/07/2003	(21689)
2	03/27/2003	(23382)
3	04/03/2003	(25138)
4	05/27/2003	(282800)
5	07/26/2003	(61715)
6	07/26/2003	(61716)
7	07/31/2003	(12829)
8	08/27/2003	(152358)
9	10/08/2003	(248893)
10	10/08/2003	(248868)
11	10/22/2003	(250248)
12	11/13/2003	(254712)
13	01/12/2004	(259447)
14	05/05/2004	(265440)
15	06/30/2004	(275987)
16	06/30/2004	(276008)
17	07/12/2004	(258432)
18	08/23/2004	(259527)
19	08/31/2004	(275640)
20	08/31/2004	(275727)
21	08/31/2004	(275582)
22	10/29/2004	(293172)
23	11/14/2004	(273790)
24	12/13/2004	(335760)
25	12/13/2004	(339619)
26	12/13/2004	(335727)
27	12/14/2004	(339248)
28	01/07/2005	(289178)
29	01/07/2005	(339259)
30	01/07/2005	(289620)
31	01/07/2005	(289641)
32	02/21/2005	(345241)
33	02/21/2005	(345242)
34	02/21/2005	(345244)
35	03/31/2005	(374023)
36	04/27/2005	(378280)
37	05/19/2005	(378004)
38	05/25/2005	(379870)
39	07/26/2005	(401365)
40	08/02/2005	(402542)
41	08/22/2005	(405938)
42	08/26/2005	(397897)
43	08/30/2005	(398784)
44	09/28/2005	(405189)
45	10/31/2005	(434581)
46	12/05/2005	(434398)
47	12/05/2005	(433634)
48	12/05/2005	(434458)

49	01/17/2006	(450657)
50	01/19/2006	(449735)
51	01/20/2006	(434431)
52	01/25/2006	(438519)
53	01/30/2006	(451420)
54	01/30/2006	(451165)
55	01/30/2006	(451081)
56	01/30/2006	(449589)
57	01/30/2006	(450728)
58	02/03/2006	(452920)
59	02/08/2006	(451286)
60	02/16/2006	(434647)
61	02/16/2006	(452146)
62	02/23/2006	(451616)
63	02/23/2006	(455308)
64	02/24/2006	(455128)
65	02/24/2006	(449980)
66	02/28/2006	(456109)
67	03/14/2006	(435096)
68	03/23/2006	(439922)
69	03/23/2006	(456133)
70	03/27/2006	(381420)
71	04/06/2006	(456117)
72	04/06/2006	(456167)
73	04/17/2006	(437247)
74	04/20/2006	(462475)
75	05/12/2006	(457773)
76	05/12/2006	(457763)
77	05/12/2006	(457767)
78	05/12/2006	(457729)
79	05/12/2006	(457714)
80	05/12/2006	(457770)
81	05/12/2006	(457753)
82	05/15/2006	(457756)
83	05/17/2006	(458185)
84	05/22/2006	(464707)
85	05/23/2006	(466215)
86	06/14/2006	(466748)
87	07/06/2006	(457725)
88	07/07/2006	(483754)
89	07/20/2006	(486881)
90	08/04/2006	(487670)
91	08/24/2006	(480002)
92	09/28/2006	(511672)
93	10/19/2006	(511690)
94	12/13/2006	(518692)
95	12/13/2006	(519123)
96	01/03/2007	(518929)
97	01/09/2007	(533451)
98	01/10/2007	(535946)
99	01/11/2007	(534901)
100	02/05/2007	(538166)
101	02/06/2007	(512451)
102	02/14/2007	(535930)
103	02/14/2007	(536814)
104	02/28/2007	(539690)
105	04/20/2007	(539694)
106	05/16/2007	(559164)
107	05/16/2007	(555914)
108	05/21/2007	(560418)
109	05/25/2007	(561001)
110	05/31/2007	(560629)
111	06/08/2007	(555170)

112 06/15/2007 (561008)
 113 07/26/2007 (563100)
 114 08/17/2007 (568455)
 115 08/24/2007 (532612)
 116 09/14/2007 (571669)
 117 10/11/2007 (567347)
 118 10/15/2007 (593848)
 119 10/25/2007 (595189)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 01/29/2003 (23382)
 Self Report? NO Classification: Major
 Citation: 30 TAC Chapter 117, SubChapter B 117.213(c)(1)(B)
 30 TAC Chapter 117, SubChapter B 117.213(d)(1)(A)
 30 TAC Chapter 117, SubChapter B 117.213(l)
 Description: The regulated entity is in compliance with the reporting requirements of 30 Tex. Admin. Code 117.219(d). However, during the reporting period there were several periods of excess Nox emissions and several periods of Nox and CO CEMS downtime. Therefore, a notice of violation is being issued to Chevron Phillips.

Date: 07/31/2003 (12829)
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
 Description: CPC failed to record the daily flare observation. For year 2003, Unit 33 flare had no records of observation on a number of days: 6 days (February); 1 day (March), and 3 days (April). The records were below 98% of the required observations.

Date: 10/08/2003 -248868
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)
 Rqmt Prov: PERMIT 22690 General Condition No. 8
 Description: Failure to meet the demonstrations criteria for an emissions event resulting in a violation of MAERT limits of TCEQ Air Permit No. 22690.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)
 Rqmt Prov: PERMIT 22690, General Condition No. 8
 Description: Failure to meet the demonstrations criteria for an emissions event resulting in a violation of the MAERT of TCEQ Air Permit No. 22690.

Date: 10/22/2003 (250248)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 Description: Failed to close an electrically operated transfer valve during preventative maintenance on unit 33 furnace # 3 (33-36-3), resulting in unauthorized emissions.

Date: 05/06/2004 (265440)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
 30 TAC Chapter 115, SubChapter D 115.352(4)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.242-6(a)(2)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)
 Rqmt Prov: PA 22690 and PSD-TX-751M1, SC14E
 Description: Chevron Phillips Chemical Company, (CPCC) failed to cap or plug valve nos., 16, and 425 in unit 24.1, Debutanized Aromatic Concentrate, (DAC) Hydrotreater. All valves are in VOC service and without the required cap or plug.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(1)
 Rqmt Prov: PA 22690, and PSD-TX-751M1, SC 14H
 Description: During the record review, it was discovered that in 2000, CPCC failed to make attempt repair on leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001 attempt repairs were not made on valve nos. 678, 02893, and 4560.

Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 115, SubChapter D 115.352(2) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(2)		
Description:	During the record review, it was discovered that in 2000, CPCC failed to make first attempt repair on the leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001 first attempt repairs were not made on valve nos. 678, 02893, and 4560.		
Self Report?	NO	Classification:	Moderate
Citation:	40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.171(a)		
Rqmt Prov:	PA 22690, and PSD-TX-751M1, SC 114H		
Description:	It was discovered that in 2000, CPCC failed to make attempt at repair on leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001, attempt repairs were not made on valve nos. 678, 02893, and 4560 within 15 days before these valves were placed on unit Shutdown list.		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.20(2) 30 TAC Chapter 115, SubChapter B 115.142(1)(A) 30 TAC Chapter 116, SubChapter G 116.715(a) 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.346(b)(1) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.136(e)(1)(i)		
Rqmt Prov:	PA 22690, and PSD-TX-751M1, SC 3C		
Description:	CPCC failed to equip process drain nos. 84, 89, 93,95, 100, 112, 624, 1527, with required water seal controls or a tightly sealed cap of plug (each drain found to be emitting volatile organic compound (VOC) in excess of 500 ppm)		
Date:	07/12/2004	(258432)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ AIR PERMIT #22690, SC #1		
Description:	Exceeded VOC permit limits during an avoidable emissions event.		
Date:	08/23/2004	(259527)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PA Flexible Permit No. 22690, SC 1		
Description:	Exceeded permit limits during an avoidable emissions event.		
Date:	11/14/2004	(273790)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Flex Air Permit #22690, SC #1		
Description:	Exceeded VOC permit limit during an avoidable emissions event.		
Date:	09/28/2005	(405189)	
Self Report?	YES	Classification:	Minor
Citation:	30 TAC Chapter 101, SubChapter F 101.211(b)(9)		
Description:	Failure to identify in the final record of a scheduled maintenance, startup, or shutdown activity with unauthorized emissions, the preconstruction authorization number governing the facility involved in the scheduled maintenance, startup, or shutdown activity resulting in an emissions event.		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT Special Condition 1		
Description:	Failure to comply with any and all general and special conditions contained in a flexible permit.		
Date:	01/25/2006	(438519)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Flexible Permit #22690, SC #1		
Description:	Chevron failed to prevent contact with the remote electrical control panel, which resulted in unauthorized emissions.		

Date: 02/14/2006 (452146)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT TCEQ Permit # 22690, Special Condition 1

Description: Failure to prevent unauthorized emissions.

Date: 04/07/2006 (456117)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: PERMIT TCEQ Flexible Permit #22690

Description: Chevron failed to properly maintain the primary and secondary vacuum condensate pumps.

Date: 05/16/2006 (486731)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)

Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 1 (EPN 22-36-1.)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)

Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 2 (EPN 22-36-2.)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)

Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 3 (EPN 22-36-3.)

Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of the Furnace.

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)

Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 4 (EPN 22-36-4.)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)

Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 6 (EPN 22-36-6.)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)

Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 7 (EPN 22-36-7.)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)

Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 8 (EPN 22-36-8.)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)

Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of the Turbine Bypass Stack (EPN 22-95-27.)

Date: 12/13/2006 (519123)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: PERMIT TCEQ Flexible Permit No. 22690, SC #1

Description: Chevron failed to prevent a leak in a decoke process line of Ethylene Unit's 24's cracking furnace #6.

Date: 01/10/2007 (534901)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT TCEQ Flexible Permit No. 22690, SC #1

PERMIT TCEQ Flexible Permit No. 22690, SC #15

Description: Chevron failed to maintain a flame on Unit 18 Process flare which resulted in unauthorized emissions.

Date: 04/19/2007 (539694)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PA 22690 SC. 1

Description: RE failed to prevent unauthorized emissions from Unit 24.

Date: 06/15/2007 (561008)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: PERMIT TCEQ Air Flexible Permit No. 22690, SC#1

Description: Chevron failed to prevent mineral deposits from fouling on the valve stems causing a release of unauthorized emissions.

Date: 10/23/2007 (571738)

Self Report? NO

Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(1)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: PA TCEQ AIR PERMIT #22690, SC#15

Description: Chevron Phillips Chemical Company - Sweeny Plant failed to control the visible emissions from Unit 24 - Flare 14 and Unit 22 Flare - 12.

F. Environmental audits.

Notice of Intent Date: 10/09/2002 (33085)

Disclosure Date: 04/21/2003

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to identify in the Total Annual Benzene ("TAB") report each point of waste generation, hydrocarbon phase benzene, and flow-weighted concentration data

Viol. Classification: Major

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to control the annual benzene emissions from Unit No. 24, oily water sump, for calendar year 2002

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to equip vacuum boxes and roll-off boxes with submerged fill pipes with openings within two pipe diameters of the container bottom

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to maintain records to demonstrate that annual no detectable emissions monitoring had been performed

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to install flow indicators on four junction boxes for Unit 10ABC

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to perform 4th quarter visual inspections for Unit No. 24 for calendar year 2002

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to make first attempts to repair flow meters, water seals on the process drains, and seals on the junction boxes after the June 20, 2001 visual inspection for Unit Nos. 10ABC and 24

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to control organic emissions and replace carbon canisters immediately when breakthrough is detected for each Carbon Absorption System ("CAS") for Unit No. 33

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to maintain design documentation for drain hub water seals, junction box and sump water seals, and flow indicators

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to maintain corrective action records for flow indicators

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to maintain CAS monitoring and carbon replacement time records

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to submit a complete annual corrective actions summary report for calendar year 2002

Notice of Intent Date: 12/14/2006 (536537)

No DOV Associated

Notice of Intent Date: 08/15/2007 (594191)
No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING**

**CHEVRON PHILLIPS CHEMICAL
COMPANY LP
RN100825249**

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BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2007-1861-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Chevron Phillips Chemical Company LP ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a chemical plant at 21689 Highway 35 in Old Ocean, Brazoria County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about October 30, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Ten Thousand Dollars (\$10,000) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Four Thousand Dollars (\$4,000) of the administrative penalty and Two Thousand Dollars (\$2,000) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Four Thousand Dollars (\$4,000) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant, in order to address the emissions event on July 4, 2007:
 - a. On or about July 6, 2007, the Respondent reconfigured all controllers to return to automatic mode if a signal were encountered that has a value outside its expected range. As part of this process, all controller configurations on Unit 22 were reviewed to determine if reconfiguration was necessary;
 - b. On or about July 6, 2007, the Respondent conducted refresher operator training on the significance and appropriate response to alarms activated by signals with values outside their expected range; and
 - c. On or about September 4, 2007, the Respondent modified its written operation procedures to incorporate the lessons learned from this event.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), Flexible Permit No. 22690 Special Condition 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on September 20, 2007. Specifically, during an emissions event on July 4, 2007 at Ethylene Unit 22, High Pressure and Low Pressure Flares, Emissions Point Numbers ("EPN") 56-61-12 and 56-61-10, respectively, emitted 577.5 pounds ("lbs") of volatile organic compounds ("VOC"), 432 lbs of carbon monoxide, and 60 lbs of nitrogen oxides. In addition, Ethylene Unit 22 Process Fugitives EPN 22-0-0 emitted 7,600 lbs of VOC. The total event lasted six hours and 30 minutes. The permit does not authorize any upset emissions. Since this emissions event was avoidable, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Chevron Phillips Chemical Company LP, Docket No. 2007-1861-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a Supplemental Environmental Project ("SEP") in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Four Thousand Dollars (\$4,000) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the transparency and accountability of the organization. The text also mentions the need for regular audits to ensure that the records are up-to-date and correct.

2. The second part of the document outlines the procedures for handling financial matters. It details the steps involved in budgeting, spending, and reporting. The text stresses the importance of adhering to established financial policies and procedures to avoid any mismanagement of funds.

3. The third part of the document focuses on the role of the management team in overseeing the organization's operations. It highlights the need for clear communication and collaboration between all levels of the organization to achieve the common goals.

4. The fourth part of the document discusses the importance of maintaining a strong relationship with the stakeholders. It emphasizes the need for regular communication and engagement with the community, investors, and other relevant parties to ensure the organization's long-term success.

5. The fifth part of the document outlines the strategies for managing risks and uncertainties. It discusses the importance of identifying potential risks and developing effective mitigation strategies to minimize their impact on the organization.

6. The sixth part of the document discusses the importance of maintaining a strong ethical framework. It emphasizes the need for all employees to adhere to the organization's code of conduct and to act with integrity and honesty in all their dealings.

7. The seventh part of the document outlines the procedures for handling conflicts and disputes. It details the steps involved in resolving issues and ensuring that all parties are treated fairly and equitably.

8. The eighth part of the document focuses on the role of the human resources department in managing the organization's workforce. It highlights the need for effective recruitment, training, and development of employees to ensure the organization has the right people in the right positions.

9. The ninth part of the document discusses the importance of maintaining a strong financial position. It emphasizes the need for careful financial planning and management to ensure the organization has sufficient resources to meet its obligations and achieve its goals.

10. The tenth part of the document outlines the strategies for managing the organization's reputation. It discusses the importance of monitoring and responding to public opinion and media coverage to maintain a positive image for the organization.

11. The eleventh part of the document discusses the importance of maintaining a strong legal framework. It emphasizes the need for all activities to be conducted in compliance with applicable laws and regulations to avoid any legal issues.

12. The twelfth part of the document outlines the procedures for handling emergencies and crises. It details the steps involved in responding to unexpected events and ensuring the safety and well-being of all employees and stakeholders.

13. The thirteenth part of the document focuses on the role of the information technology department in supporting the organization's operations. It highlights the need for effective use of technology to improve efficiency and productivity.

14. The fourteenth part of the document discusses the importance of maintaining a strong environmental and social governance (ESG) framework. It emphasizes the need for the organization to be transparent about its ESG performance and to take steps to improve it.

15. The fifteenth part of the document outlines the strategies for managing the organization's growth. It discusses the importance of identifying new opportunities and developing effective strategies to expand the organization's reach and impact.

16. The sixteenth part of the document discusses the importance of maintaining a strong corporate culture. It emphasizes the need for all employees to embrace the organization's values and to work together to create a positive and productive work environment.

17. The seventeenth part of the document outlines the procedures for handling the organization's financial statements. It details the steps involved in preparing and presenting the financial data to the board of directors and other stakeholders.

18. The eighteenth part of the document focuses on the role of the legal department in ensuring the organization's compliance with all applicable laws and regulations. It highlights the need for the legal team to provide timely and accurate advice on all legal matters.

19. The nineteenth part of the document discusses the importance of maintaining a strong relationship with the media. It emphasizes the need for the organization to be proactive in its communication with the media and to respond promptly to any inquiries or requests for information.

20. The twentieth part of the document outlines the strategies for managing the organization's overall performance. It discusses the importance of setting clear goals and objectives and of regularly monitoring and evaluating the organization's progress towards achieving them.

4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

4/6/2008
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

2/14/08
Date

Charleen Dickson
Name (Printed or typed)
Authorized Representative of
Chevron Phillips Chemical Company LP

PLANT MANAGER
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2007-1861-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Chevron Phillips Chemical Company LP
Payable Penalty Amount:	Eight Thousand Dollars (\$8,000)
SEP Amount:	Four Thousand Dollars (\$4,000)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program
Location of SEP:	Brazoria County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Brazoria County. The contribution will be used in accordance with the ***Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality***. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

